

105TH CONGRESS  
1ST SESSION

# S. 847

To provide scholarship assistance for District of Columbia elementary and secondary school students.

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## IN THE SENATE OF THE UNITED STATES

JUNE 5, 1997

Mr. COATS (for himself, Mr. LIEBERMAN, Mr. BROWNBACK, Mr. ASHCROFT, Mr. COVERDELL, and Mr. GREGG) introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

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## A BILL

To provide scholarship assistance for District of Columbia elementary and secondary school students.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

### 3   **SECTION 1. SHORT TITLE; FINDINGS; PRECEDENTS.**

4       (a) **SHORT TITLE.**—This Act may be cited as the  
5       “District of Columbia Student Opportunity Scholarship  
6       Act of 1997”.

7       (b) **FINDINGS.**—Congress makes the following  
8       findings:

9               (1) Public education in the District of Columbia  
10       is in a crisis, as evidenced by the following:

1           (A) The District of Columbia schools have  
2           the lowest average of any school system in the  
3           Nation on the National Assessment of Edu-  
4           cation Progress.

5           (B) 72 percent of fourth graders in the  
6           District of Columbia tested below basic pro-  
7           ficiency on the National Assessment of Edu-  
8           cation Progress in 1994.

9           (C) Since 1991, there has been a net de-  
10          cline in the reading skills of District of Colum-  
11          bia students as measured in scores on the  
12          standardized Comprehensive Test of Basic  
13          Skills.

14          (D) At least 40 percent of District of Co-  
15          lumbia students drop out of or leave the school  
16          system before graduation.

17          (E) The National Education Goals Panel  
18          reported in 1996 that both students and teach-  
19          ers in District of Columbia schools are sub-  
20          jected to levels of violence that are twice the na-  
21          tional average.

22          (F) Nearly two-thirds of District of Colum-  
23          bia teachers reported that violent student be-  
24          havior is a serious impediment to teaching.

1 (G) Many of the District of Columbia's  
2 152 schools are in a state of terrible disrepair,  
3 including leaking roofs, bitterly cold classrooms,  
4 and numerous fire code violations.

5 (2) Significant improvements in the education  
6 of educationally deprived children in the District of  
7 Columbia can be accomplished by—

8 (A) increasing educational opportunities  
9 for the children by expanding the range of edu-  
10 cational choices that best meet the needs of the  
11 children;

12 (B) fostering diversity and competition  
13 among school programs for the children;

14 (C) providing the families of the children  
15 more of the educational choices already avail-  
16 able to affluent families; and

17 (D) enhancing the overall quality of edu-  
18 cation in the District of Columbia by increasing  
19 parental involvement in the direction of the  
20 education of the children.

21 (3) The 350 private schools in the District of  
22 Columbia and the surrounding area offer a more  
23 safe and stable learning environment than many of  
24 the public schools.

1           (4) Costs are often much lower in private  
2 schools than corresponding costs in public schools.

3           (5) Not all children are alike and therefore  
4 there is no one school or program that fits the needs  
5 of all children.

6           (6) The formation of sound values and moral  
7 character is crucial to helping young people escape  
8 from lives of poverty, family break-up, drug abuse,  
9 crime, and school failure.

10          (7) In addition to offering knowledge and skills,  
11 education should contribute positively to the forma-  
12 tion of the internal norms and values which are vital  
13 to a child's success in life and to the well-being of  
14 society.

15          (8) Schools should help to provide young people  
16 with a sound moral foundation which is consistent  
17 with the values of their parents. To find such a  
18 school, parents need a full range of choice to deter-  
19 mine where their children can best be educated.

20          (c) PRECEDENTS.—The United States Supreme  
21 Court has determined that programs giving parents choice  
22 and increased input in their children's education, includ-  
23 ing the choice of a religious education, do not violate the  
24 Constitution. The Supreme Court has held that as long  
25 as the beneficiary decides where education funds will be

1 spent on such individual's behalf, public funds can be used  
2 for education in a religious institution because the public  
3 entity has neither advanced nor hindered a particular reli-  
4 gion and therefore has not violated the establishment  
5 clause of the first amendment to the Constitution. Su-  
6 preme Court precedents include—

7           (1) *Wisconsin v. Yoder*, 406 U.S. 205 (1972);  
8       *Pierce v. Society of Sisters*, 268 U.S. 510 (1925);  
9       and *Meyer v. Nebraska*, 262 U.S. 390 (1923) which  
10      held that parents have the primary role in and are  
11      the primary decision makers in all areas regarding  
12      the education and upbringing of their children;

13          (2) *Mueller v. Allen*, 463 U.S. 388 (1983)  
14      which declared a Minnesota tax deduction program  
15      that provided State income tax benefits for edu-  
16      cational expenditures by parents, including tuition in  
17      religiously affiliated schools, does not violate the  
18      Constitution;

19          (3) *Witters v. Department of Services for the*  
20      *Blind*, 474 U.S. 481 (1986) in which the Supreme  
21      Court ruled unanimously that public funds for the  
22      vocational training of the blind could be used at a  
23      Bible college for ministry training; and

24          (4) *Zobrest v. Catalina Foothills School Dis-*  
25      *trict*, 509 U.S. 1 (1993) which held that a deaf child

1       could receive an interpreter, paid for by the public,  
 2       in a private religiously affiliated school under the In-  
 3       dividual with Disabilities Education Act (20 U.S.C.  
 4       1400 et seq.). The case held that providing an inter-  
 5       preter in a religiously affiliated school did not violate  
 6       the establishment clause of the first amendment of  
 7       the Constitution.

8   **SEC. 2. DEFINITIONS.**

9       As used in this Act—

10           (1) the term “Board” means the Board of Di-  
 11       rectors of the Corporation established under section  
 12       3(b)(1);

13           (2) the term “Corporation” means the District  
 14       of Columbia Scholarship Corporation established  
 15       under section 3(a);

16           (3) the term “eligible institution”—

17               (A) in the case of an eligible institution  
 18       serving a student who receives a tuition scholar-  
 19       ship under section 4(d)(1), means a public, pri-  
 20       vate, or independent elementary or secondary  
 21       school; and

22               (B) in the case of an eligible institution  
 23       serving a student who receives an enhanced  
 24       achievement scholarship under section 4(d)(2),  
 25       means an elementary or secondary school, or an

1           entity that provides services to a student en-  
 2           rolled in an elementary or secondary school to  
 3           enhance such student’s achievement through ac-  
 4           tivities described in section 4(d)(2); and

5           (4) the term “poverty line” means the income  
 6           official poverty line (as defined by the Office of Man-  
 7           agement and Budget, and revised annually in ac-  
 8           cordance with section 673(2) of the Community  
 9           Services Block Grant Act (42 U.S.C. 9902(2)) appli-  
 10          cable to a family of the size involved.

11 **SEC. 3. DISTRICT OF COLUMBIA SCHOLARSHIP**  
 12 **CORPORATION.**

13       (a) GENERAL REQUIREMENTS.—

14           (1) IN GENERAL.—There is authorized to be es-  
 15           tablished a private, nonprofit corporation, to be  
 16           known as the “District of Columbia Scholarship  
 17           Corporation”, which is neither an agency nor estab-  
 18           lishment of the United States Government or the  
 19           District of Columbia Government.

20           (2) DUTIES.—The Corporation shall have the  
 21           responsibility and authority to administer, publicize,  
 22           and evaluate the scholarship program in accordance  
 23           with this Act, and to determine student and school  
 24           eligibility for participation in such program.

1           (3) CONSULTATION.—The Corporation shall ex-  
2       ercise its authority—

3           (A) in a manner consistent with maximiz-  
4       ing educational opportunities for the maximum  
5       number of interested families; and

6           (B) in consultation with the District of Co-  
7       lumbia Board of Education or entity exercising  
8       administrative jurisdiction over the District of  
9       Columbia Public Schools, the Superintendent of  
10      the District of Columbia Public Schools, and  
11      other school scholarship programs in the Dis-  
12      trict of Columbia.

13          (4) APPLICATION OF PROVISIONS.—The Cor-  
14      poration shall be subject to the provisions of this  
15      Act, and, to the extent consistent with this Act, to  
16      the District of Columbia Nonprofit Corporation Act  
17      (D.C. Code, sec. 29–501 et seq.).

18          (5) RESIDENCE.—The Corporation shall have  
19      its place of business in the District of Columbia and  
20      shall be considered, for purposes of venue in civil ac-  
21      tions, to be a resident of the District of Columbia.

22          (6) FUND.—There is established in the Treas-  
23      ury a fund that shall be known as the District of  
24      Columbia Scholarship Fund, to be administered by  
25      the Secretary of the Treasury.



1           (7) DISBURSEMENT.—The Secretary of the  
 2           Treasury shall make available and disburse to the  
 3           Corporation, before October 15 of each fiscal year or  
 4           not later than 15 days after the date of enactment  
 5           of an Act making appropriations for the District of  
 6           Columbia for such year, whichever occurs later, such  
 7           funds as have been appropriated to the District of  
 8           Columbia Scholarship Fund for the fiscal year in  
 9           which such disbursement is made.

10           (8) AVAILABILITY.—Funds authorized to be ap-  
 11           propriated under this Act shall remain available  
 12           until expended.

13           (9) USES.—Funds authorized to be appro-  
 14           priated under this Act shall be used by the Corpora-  
 15           tion in a prudent and financially responsible man-  
 16           ner, solely for scholarships, contracts, and adminis-  
 17           trative costs.

18           (10) AUTHORIZATION.—

19                   (A) IN GENERAL.—There are authorized to  
 20           be appropriated to the District of Columbia  
 21           Scholarship Fund—

22                           (i) \$7,000,000 for fiscal year 1998;

23                           (ii) \$8,000,000 for fiscal year 1999;

24                           and

1 (iii) \$10,000,000 for each of fiscal  
2 years 2000 through 2002.

3 (B) LIMITATION.—Not more than  
4 \$500,000 of the amount appropriated to carry  
5 out this Act for any fiscal year may be used by  
6 the Corporation for any purpose other than as-  
7 sistance to students.

8 (b) ORGANIZATION AND MANAGEMENT; BOARD OF  
9 DIRECTORS.—

10 (1) BOARD OF DIRECTORS; MEMBERSHIP.—

11 (A) IN GENERAL.—The Corporation shall  
12 have a Board of Directors (referred to in this  
13 Act as the “Board”), comprised of 7 members  
14 with 6 members of the Board appointed by the  
15 President not later than 30 days after receipt  
16 of nominations from the Speaker of the House  
17 of Representatives and the majority leader of  
18 the Senate.

19 (B) HOUSE NOMINATIONS.—The President  
20 shall appoint 3 of the members from a list of  
21 9 individuals nominated by the Speaker of the  
22 House of Representatives in consultation with  
23 the minority leader of the House of  
24 Representatives.

1           (C) SENATE NOMINATIONS.—The Presi-  
2           dent shall appoint 3 members from a list of 9  
3           individuals nominated by the majority leader of  
4           the Senate in consultation with the minority  
5           leader of the Senate.

6           (D) DEADLINE.—The Speaker of the  
7           House of Representatives and majority leader  
8           of the Senate shall submit their nominations to  
9           the President not later than 30 days after the  
10          date of the enactment of this Act.

11          (E) APPOINTEE OF MAYOR.—The Mayor  
12          shall appoint 1 member of the Board not later  
13          than 60 days after the date of the enactment of  
14          this Act.

15          (F) POSSIBLE INTERIM MEMBERS.—If the  
16          President does not appoint the 6 members of  
17          the Board in the 30-day period described in  
18          subparagraph (A), then the Speaker of the  
19          House of Representatives and the Majority  
20          Leader of the Senate shall each appoint 2 mem-  
21          bers of the Board, and the Minority Leader of  
22          the House of Representatives and the Minority  
23          Leader of the Senate shall each appoint 1 of  
24          the Board, from among the individuals nomi-  
25          nated pursuant to subparagraphs (A) and (B),

1 as the case may be. The appointees under the  
2 preceding sentence together with the appointee  
3 of the Mayor, shall serve as an interim Board  
4 with all the powers and other duties of the  
5 Board described in this Act, until the President  
6 makes the appointments as described in this  
7 subsection.

8 (2) POWERS.—All powers of the Corporation  
9 shall vest in and be exercised under the authority of  
10 the Board.

11 (3) ELECTIONS.—Members of the Board annu-  
12 ally shall elect 1 of the members of the Board to be  
13 chairperson of the Board.

14 (4) RESIDENCY.—All members appointed to the  
15 Board shall be residents of the District of Columbia  
16 at the time of appointment and while serving on the  
17 Board.

18 (5) NONEMPLOYEE.—No member of the Board  
19 may be an employee of the United States Govern-  
20 ment or the District of Columbia Government when  
21 appointed to or during tenure on the Board, unless  
22 the individual is on a leave of absence from such a  
23 position while serving on the Board.

24 (6) INCORPORATION.—The members of the ini-  
25 tial Board shall serve as incorporators and shall take

1       whatever steps are necessary to establish the Cor-  
2       poration under the District of Columbia Nonprofit  
3       Corporation Act (D.C. Code, sec. 29–501 et seq.).

4           (7) GENERAL TERM.—The term of office of  
5       each member of the Board shall be 5 years, except  
6       that any member appointed to fill a vacancy occur-  
7       ring prior to the expiration of the term for which the  
8       predecessor was appointed shall be appointed for the  
9       remainder of such term.

10          (8) CONSECUTIVE TERM.—No member of the  
11       Board shall be eligible to serve in excess of 2 con-  
12       secutive terms of 5 years each. A partial term shall  
13       be considered as 1 full term. Any vacancy on the  
14       Board shall not affect the Board’s power, but shall  
15       be filled in a manner consistent with this Act.

16          (9) NO BENEFIT.—No part of the income or as-  
17       sets of the Corporation shall inure to the benefit of  
18       any Director, officer, or employee of the Corpora-  
19       tion, except as salary or reasonable compensation for  
20       services.

21          (10) POLITICAL ACTIVITY.—The Corporation  
22       may not contribute to or otherwise support any po-  
23       litical party or candidate for elective public office.

24          (11) NO OFFICERS OR EMPLOYEES.—The mem-  
25       bers of the Board shall not, by reason of such mem-

bership, be considered to be officers or employees of the United States Government or of the District of Columbia Government.

(12) STIPENDS.—The members of the Board, while attending meetings of the Board or while engaged in duties related to such meetings or other activities of the Board pursuant to this Act, shall be provided a stipend. Such stipend shall be at the rate of \$150 per day for which the member of the Board is officially recorded as having worked, except that no member may be paid a total stipend amount in any calendar year in excess of \$5,000.

(c) OFFICERS AND STAFF.—

(1) EXECUTIVE DIRECTOR.—The Corporation shall have an Executive Director, and such other staff, as may be appointed by the Board for terms and at rates of compensation, not to exceed level EG-16 of the Educational Service of the District of Columbia, to be fixed by the Board.

(2) STAFF.—With the approval of the Board, the Executive Director may appoint and fix the salary of such additional personnel as the Executive Director considers appropriate.

(3) ANNUAL RATE.—No staff of the Corporation may be compensated by the Corporation at an

1       annual rate of pay greater than the annual rate of  
2       pay of the Executive Director.

3           (4) SERVICE.—All officers and employees of the  
4       Corporation shall serve at the pleasure of the Board.

5           (5) QUALIFICATION.—No political test or quali-  
6       fication may be used in selecting, appointing, pro-  
7       moting, or taking other personnel actions with re-  
8       spect to officers, agents, or employees of the  
9       Corporation.

10       (d) POWERS OF THE CORPORATION.—

11           (1) GENERALLY.—The Corporation is author-  
12       ized to obtain grants from, and make contracts with,  
13       individuals and with private, State, and Federal  
14       agencies, organizations, and institutions.

15           (2) HIRING AUTHORITY.—The Corporation may  
16       hire, or accept the voluntary services of, consultants,  
17       experts, advisory boards, and panels to aid the Cor-  
18       poration in carrying out this Act.

19       (e) FINANCIAL MANAGEMENT AND RECORDS.—

20           (1) AUDITS.—The financial statements of the  
21       Corporation shall be—

22           (A) maintained in accordance with gen-  
23       erally accepted accounting principles for non-  
24       profit corporations; and

1 (B) audited annually by independent cer-  
 2 tified public accountants.

3 (2) REPORT.—The report for each such audit  
 4 shall be included in the annual report to Congress  
 5 required by section 13(c).

6 **SEC. 4. SCHOLARSHIPS AUTHORIZED.**

7 (a) ELIGIBLE STUDENTS.—The Corporation is au-  
 8 thorized to award tuition scholarships under subsection  
 9 (d)(1) and enhanced achievement scholarships under sub-  
 10 section (d)(2) to students in kindergarten through grade  
 11 12—

12 (1) who are residents of the District of Colum-  
 13 bia; and

14 (2) whose family income does not exceed 185  
 15 percent of the poverty line.

16 (b) SCHOLARSHIP PRIORITY.—

17 (1) FIRST.—The Corporation shall first award  
 18 scholarships to students described in subsection (a)  
 19 who—

20 (A) are enrolled in a District of Columbia  
 21 public school or preparing to enter a District of  
 22 Columbia kindergarten, except that this sub-  
 23 paragraph shall apply only for academic years  
 24 1997, 1998, and 1999; or



1 (B) have received a scholarship from the  
2 Corporation in the year preceding the year for  
3 which the scholarship is awarded.

4 (2) SECOND.—If funds remain for a fiscal year  
5 for awarding scholarships after awarding scholar-  
6 ships under paragraph (1), the Corporation shall  
7 award scholarships to students described in sub-  
8 section (a) who are not described in paragraph (1).

9 (c) SPECIAL RULE.—The Corporation shall attempt  
10 to ensure an equitable distribution of scholarship funds  
11 to students at diverse academic achievement levels.

12 (d) USE OF SCHOLARSHIP.—

13 (1) TUITION SCHOLARSHIPS.—A tuition schol-  
14 arship may be used for the payment of the cost of  
15 the tuition and mandatory fees at a public, private,  
16 or independent school located within the geographic  
17 boundaries of the District of Columbia or the cost  
18 of the tuition and mandatory fees at a public, pri-  
19 vate, or independent school located within Montgom-  
20 ery County, Maryland; Prince Georges County,  
21 Maryland; Arlington County, Virginia; Alexandria  
22 City, Virginia; Falls Church City, Virginia; or Fair-  
23 fax County, Virginia.

24 (2) ENHANCED ACHIEVEMENT SCHOLARSHIP.—  
25 An enhanced achievement scholarship may be used

1       only for the payment of the costs of tuition and  
 2       mandatory fees for, or transportation to attend, a  
 3       program of instruction provided by an eligible insti-  
 4       tution which enhances student achievement of the  
 5       core curriculum and is operated outside of regular  
 6       school hours to supplement the regular school  
 7       program.

8       (e) NOT SCHOOL AID.—A scholarship under this Act  
 9       shall be considered assistance to the student and shall not  
 10      be considered assistance to an eligible institution.

11   **SEC. 5. SCHOLARSHIP PAYMENTS AND AMOUNTS.**

12       (a) AWARDS.—From the funds made available under  
 13      this Act, the Corporation shall award a scholarship to a  
 14      student and make payments in accordance with section 10  
 15      on behalf of such student to a participating eligible institu-  
 16      tion chosen by the parent of the student.

17       (b) NOTIFICATION.—Each eligible institution that de-  
 18      sires to receive payment under subsection (a) shall notify  
 19      the Corporation not later than 10 days after—

- 20           (1) the date that a student receiving a scholar-  
 21           ship under this Act is enrolled, of the name, address,  
 22           and grade level of such student;
- 23           (2) the date of the withdrawal or expulsion of  
 24           any student receiving a scholarship under this Act,  
 25           of the withdrawal or expulsion; and

1           (3) the date that a student receiving a scholar-  
 2           ship under this Act is refused admission, of the rea-  
 3           sons for such a refusal.

4           (c) TUITION SCHOLARSHIP.—

5           (1) EQUAL TO OR BELOW POVERTY LINE.—For  
 6           a student whose family income is equal to or below  
 7           the poverty line, a tuition scholarship may not ex-  
 8           ceed the lesser of—

9                   (A) the cost of tuition and mandatory fees  
 10                  for, and transportation to attend, an eligible in-  
 11                  stitution; or

12                   (B) \$3,200 for fiscal year 1998, with such  
 13                  amount adjusted in proportion to changes in  
 14                  the Consumer Price Index for all urban con-  
 15                  sumers published by the Department of Labor  
 16                  for each of fiscal years 1999 through 2002.

17           (2) ABOVE POVERTY LINE.—For a student  
 18           whose family income is greater than the poverty line,  
 19           but not more than 185 percent of the poverty line,  
 20           a tuition scholarship may not exceed the lesser of—

21                   (A) 75 percent of the cost of tuition and  
 22                  mandatory fees for, and transportation to at-  
 23                  tend, an eligible institution; or

24                   (B) \$2,400 for fiscal year 1998, with such  
 25                  amount adjusted in proportion to changes in

1 the Consumer Price Index for all urban con-  
2 sumers published by the Department of Labor  
3 for each of fiscal years 1999 through 2002.

4 (d) ENHANCED ACHIEVEMENT SCHOLARSHIP.—An  
5 enhanced achievement scholarship may not exceed the  
6 lesser of—

7 (1) the costs of tuition and mandatory fees for,  
8 or transportation to attend, a program of instruction  
9 at an eligible institution; or

10 (2) \$500 for 1998, with such amount adjusted  
11 in proportion to changes in the Consumer Price  
12 Index for all urban consumers published by the De-  
13 partment of Labor for each of fiscal years 1999  
14 through 2002.

15 **SEC. 6. CERTIFICATION OF ELIGIBLE INSTITUTIONS.**

16 (a) APPLICATION.—An eligible institution that de-  
17 sires to receive a payment on behalf of a student who re-  
18 ceives a scholarship under this Act shall file an application  
19 with the Corporation for certification for participation in  
20 the scholarship program under this Act. Each such appli-  
21 cation shall—

22 (1) demonstrate that the eligible institution has  
23 operated with not less than 25 students during the  
24 3 years preceding the year for which the determina-  
25 tion is made unless the eligible institution is apply-

1       ing for certification as a new eligible institution  
2       under subsection (c);

3           (2) contain an assurance that the eligible insti-  
4       tution will comply with all applicable requirements of  
5       this Act;

6           (3) contain an annual statement of the eligible  
7       institution's budget; and

8           (4) describe the eligible institution's proposed  
9       program, including personnel qualifications and fees.

10       (b) CERTIFICATION.—

11           (1) IN GENERAL.—Except as provided in para-  
12       graph (3), not later than 60 days after receipt of an  
13       application in accordance with subsection (a), the  
14       Corporation shall certify an eligible institution to  
15       participate in the scholarship program under this  
16       Act.

17           (2) CONTINUATION.—An eligible institution's  
18       certification to participate in the scholarship pro-  
19       gram shall continue unless such eligible institution's  
20       certification is revoked in accordance with subsection  
21       (d).

22       (c) NEW ELIGIBLE INSTITUTION.—

23           (1) IN GENERAL.—An eligible institution that  
24       did not operate with at least 25 students in the 3  
25       years preceding the year for which the determination

1 is made may apply for a 1-year provisional certifi-  
2 cation to participate in the scholarship program  
3 under this Act for a single year by providing to the  
4 Corporation not later than July 1 of the year pre-  
5 ceding the year for which the determination is  
6 made—

7 (A) a list of the eligible institution's board  
8 of directors;

9 (B) letters of support from not less than  
10 10 members of the community served by such  
11 eligible institution;

12 (C) a business plan;

13 (D) an intended course of study;

14 (E) assurances that the eligible institution  
15 will begin operations with not less than 25  
16 students;

17 (F) assurances that the eligible institution  
18 will comply with all applicable requirements of  
19 this Act; and

20 (G) a statement that satisfies the require-  
21 ments of paragraphs (2) and (4) of subsection  
22 (a).

23 (2) CERTIFICATION.—Not later than 60 days  
24 after the date of receipt of an application described  
25 in paragraph (1), the Corporation shall certify in

1 writing the eligible institution's provisional certifi-  
 2 cation to participate in the scholarship program  
 3 under this Act unless the Corporation determines  
 4 that good cause exists to deny certification.

5 (3) RENEWAL OF PROVISIONAL CERTIFI-  
 6 CATION.—After receipt of an application under para-  
 7 graph (1) from an eligible institution that includes  
 8 a statement of the eligible institution's budget com-  
 9 pleted not earlier than 12 months before the date  
 10 such application is filed, the Corporation shall renew  
 11 an eligible institution's provisional certification for  
 12 the second and third years of the school's participa-  
 13 tion in the scholarship program under this Act un-  
 14 less the Corporation finds—

15 (A) good cause to deny the renewal, includ-  
 16 ing a finding of a pattern of violation of re-  
 17 quirements described in section 7(a); or

18 (B) consistent failure of 25 percent or  
 19 more of the students receiving scholarships  
 20 under this Act and attending such school to  
 21 make appropriate progress (as determined by  
 22 the Corporation) in academic achievement.

23 (4) DENIAL OF CERTIFICATION.—If provisional  
 24 certification or renewal of provisional certification  
 25 under this subsection is denied, then the Corporation

1 shall provide a written explanation to the eligible in-  
2 stitution of the reasons for such denial.

3 (d) REVOCATION OF ELIGIBILITY.—

4 (1) IN GENERAL.—The Corporation, after no-  
5 tice and hearing, may revoke an eligible institution's  
6 certification to participate in the scholarship pro-  
7 gram under this Act for a year succeeding the year  
8 for which the determination is made for—

9 (A) good cause, including a finding of a  
10 pattern of violation of program requirements  
11 described in section 7(a); or

12 (B) consistent failure of 25 percent or  
13 more of the students receiving scholarships  
14 under this Act and attending such school to  
15 make appropriate progress (as determined by  
16 the Corporation) in academic achievement.

17 (2) EXPLANATION.—If the certification of an  
18 eligible institution is revoked, the Corporation shall  
19 provide a written explanation of its decision to such  
20 eligible institution and require a pro rata refund of  
21 the payments received under this Act.



1 **SEC. 7. PARTICIPATION REQUIREMENTS FOR ELIGIBLE**  
2 **INSTITUTIONS.**

3 (a) REQUIREMENTS.—Each eligible institution par-  
4 ticipating in the scholarship program under this Act  
5 shall—

6 (1) provide to the Corporation not later than  
7 June 30 of each year the most recent annual state-  
8 ment of the eligible institution's budget; and

9 (2) charge a student that receives a scholarship  
10 under this Act not more than the cost of tuition and  
11 mandatory fees for, and transportation to attend,  
12 such eligible institution as other students who are  
13 residents of the District of Columbia and enrolled in  
14 such eligible institution.

15 (b) COMPLIANCE.—The Corporation may require  
16 documentation of compliance with the requirements of  
17 subsection (a), but neither the Corporation nor any gov-  
18 ernmental entity may impose additional requirements  
19 upon an eligible institution as a condition of participation  
20 in the scholarship program under this Act.

21 **SEC. 8. CIVIL RIGHTS.**

22 (a) IN GENERAL.—An eligible institution participat-  
23 ing in the scholarship program under this Act shall comply  
24 with title IV of the Civil Rights Act of 1964 and not dis-  
25 criminate on the basis of race, color, or national origin.

1       (b) REVOCATION.—Notwithstanding section 7(b), if  
 2 the Secretary of Education determines that an eligible in-  
 3 stitution participating in the scholarship program under  
 4 this Act is in violation of any of the laws listed in sub-  
 5 section (a), then the Corporation shall revoke such eligible  
 6 institution’s certification to participate in the program.

7 **SEC. 9. CHILDREN WITH DISABILITIES.**

8       Nothing in this Act shall affect the rights of students,  
 9 or the obligations of the District of Columbia public  
 10 schools, under the Individuals with Disabilities Education  
 11 Act (20 U.S.C. 1400 et seq.).

12 **SEC. 10. SCHOLARSHIP PAYMENTS.**

13       (a) IN GENERAL.—

14           (1) PROPORTIONAL PAYMENT.—The Corpora-  
 15 tion shall make scholarship payments to participat-  
 16 ing eligible institutions for an academic year in 2 in-  
 17 stallments. The Corporation shall make the first  
 18 payment not later than October 15 of the academic  
 19 year in an amount equal to one-half the total  
 20 amount of the scholarship assistance awarded to stu-  
 21 dents enrolled at such institution for the academic  
 22 year. The Corporation shall make the second pay-  
 23 ment not later than January 15 of the academic  
 24 year in an amount equal to one-half of such total  
 25 amount.

1           (2) PRO RATA AMOUNTS FOR STUDENT  
2       WITHDRAWAL.—

3           (A) BEFORE PAYMENT.—If a student re-  
4       ceiving a scholarship withdraws or is expelled  
5       from an eligible institution before a scholarship  
6       payment is made, the eligible institution shall  
7       receive a pro rata payment based on the  
8       amount of the scholarship and the number of  
9       days the student was enrolled in the eligible  
10      institution.

11          (B) AFTER PAYMENT.—If a student receiv-  
12      ing a scholarship withdraws or is expelled after  
13      a scholarship payment is made, the eligible in-  
14      stitution shall refund to the Corporation on a  
15      pro rata basis the proportion of any scholarship  
16      payment received for the remaining days of the  
17      school year. Such refund shall occur not later  
18      than 30 days after the date of the withdrawal  
19      or expulsion of the student.

20          (b) FUND TRANSFERS.—The Corporation shall make  
21      scholarship payments to participating eligible institutions  
22      by electronic funds transfer. If such an arrangement is  
23      not available, then the eligible institution shall submit an  
24      alternative payment proposal to the Corporation for  
25      approval.

1 **SEC. 11. APPLICATION SCHEDULE AND PROCEDURES.**

2       The Corporation shall implement a schedule and pro-  
 3 cedures for processing applications for awarding student  
 4 scholarships under this Act that includes a list of certified  
 5 eligible institutions, distribution of information to parents  
 6 and the general public (including through a newspaper of  
 7 general circulation), and deadlines for steps in the scholar-  
 8 ship application and award process.

9 **SEC. 12. REPORTING REQUIREMENTS.**

10       (a) IN GENERAL.—An eligible institution participat-  
 11 ing in the scholarship program under this Act shall report  
 12 not later than July 30 of each year in a manner prescribed  
 13 by the Corporation, the following data:

14               (1) Student achievement in the eligible institu-  
 15 tion's programs.

16               (2) Grade advancement for scholarship  
 17 students.

18               (3) Disciplinary actions taken with respect to  
 19 scholarship students.

20               (4) Graduation, college admission test scores,  
 21 and college admission rates, if applicable for scholar-  
 22 ship students.

23               (5) Types and amounts of parental involvement  
 24 required for all families of scholarship students.

25               (6) Student attendance for scholarship and  
 26 nonscholarship students.

1           (7) General information on curriculum, pro-  
 2           grams, facilities, credentials of personnel, and dis-  
 3           ciplinary rules at the eligible institution.

4           (8) Number of scholarship students enrolled.

5           (9) Such other information as may be required  
 6           by the Corporation for program appraisal.

7           (b) CONFIDENTIALITY.—No personal identifiers may  
 8           be used in such report, except that the Corporation may  
 9           request such personal identifiers solely for the purpose of  
 10          verification.

11   **SEC. 13. PROGRAM APPRAISAL.**

12          (a) STUDY.—Not later than 4 years after the date  
 13          of enactment of this Act, the Comptroller General shall  
 14          enter into a contract, with an evaluating agency that has  
 15          demonstrated experience in conducting evaluations, for an  
 16          independent evaluation of the scholarship program under  
 17          this Act, including—

18               (1) a comparison of test scores between scholar-  
 19               ship students and District of Columbia public school  
 20               students of similar backgrounds, taking into account  
 21               the students' academic achievement at the time of  
 22               the award of their scholarships and the students'  
 23               family income level;

24               (2) a comparison of graduation rates between  
 25               scholarship students and District of Columbia public

1 school students of similar backgrounds, taking into  
2 account the students' academic achievement at the  
3 time of the award of their scholarships and the stu-  
4 dents' family income level;

5 (3) the satisfaction of parents of scholarship  
6 students with the scholarship program; and

7 (4) the impact of the scholarship program on  
8 the District of Columbia public schools, including  
9 changes in the public school enrollment, and any im-  
10 provement in the academic performance of the public  
11 schools.

12 (b) PUBLIC REVIEW OF DATA.—All data gathered in  
13 the course of the study described in subsection (a) shall  
14 be made available to the public upon request except that  
15 no personal identifiers shall be made public.

16 (c) REPORT TO CONGRESS.—Not later than Septem-  
17 ber 1 of each year, the Corporation shall submit a progress  
18 report on the scholarship program to the appropriate com-  
19 mittees of Congress. Such report shall include a review  
20 of how scholarship funds were expended, including the ini-  
21 tial academic achievement levels of students who have par-  
22 ticipated in the scholarship program.

23 (d) AUTHORIZATION.—There are authorized to be ap-  
24 propriated for the study described in subsection (a),  
25 \$250,000, which shall remain available until expended.

1 **SEC. 14. JUDICIAL REVIEW.**

2 (a) IN GENERAL.—The United States District Court  
3 for the District of Columbia shall have jurisdiction in any  
4 action challenging the scholarship program under this Act  
5 and shall provide expedited review.

6 (b) APPEAL TO SUPREME COURT.—Notwithstanding  
7 any other provision of law, any order of the United States  
8 District Court for the District of Columbia which is issued  
9 pursuant to an action brought under subsection (a) shall  
10 be reviewable by appeal directly to the Supreme Court of  
11 the United States.

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